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SUBMISSIONS BY

THE TELEVISION BUREAU OF CANADA



WITH REFERENCE TO

PROPOSED AMENDMENTS TO RADIO (T.V.) BROADCASTING REGULATIONS

April, 1970.

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PROPOSED AMENDMENTS TO RADIO (T.V.) BROADCASTING REGULATIONS

April, 1970.

1. Introduction:

The Television Bureau of Canada was established in 1961 as a non-profit organization. TvB today is completely financed by representative organizations and the majority of television stations in the private sector of the Canadian television industry.

According to its By-Laws, the function of TvB is to encourage a more effective and increased use of television as an advertising medium in Canada by servicing national, regional and local advertisers and their advertising agencies. In this role, TvB acts on behalf of television broadcasters collectively and does not represent or promote individual networks or member stations.

The function of TvB places it in a truly unique position in commercial television sales endeavours. It is the only Canadian organization exclusively preoccupied with the medium of television, its product and its place in the creative media planning by Canada's advertisers.

For this reason, TvB enjoys a unique relationship with Canadian advertisers and advertising agencies. Because we do not solicit advertising contracts and because our purposes are collateral to the advertisers', our efforts

The Television Bureau of Canada was established in 1961 as a non-profit organization. TBC today is completely financed by representative organizations and the majority of television stations in the private sector of the Canadian television industry.

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the medium of television, its product and its place in the creative media planning by Canada's advertisers.

For this reason, TBC enjoys a unique relationship with Canadian advertisers and advertising agencies. Because we do not solicit advertising contracts and because our purposes are collateral to the advertiser's, our efforts

and contributions have been acknowledged in the long-term planning of advertising campaigns. TvB's association not only with the useful applications of television advertising in Canada but also elsewhere in the world has made it possible for TvB by invitation to help Canadian advertisers assess the medium and implement it properly.

Because of our experience, and with the advantage of broadcaster and advertiser associations, TvB wishes to present its views on the effects of the proposed T.V. regulations.

2. Background To This Commentary:

Since the February 12th press release and public announcement by the Canadian Radio-Television Commission relating to proposed amendments to the television regulations, we have seen and discussed among the associates of TvB various written submissions filed with the Commission as well as other commentaries on the subject ranging from the actual proposals to letters to editors. As an association of Canadian television broadcasters our immediate interest is in the present and future development of the Canadian television industry with specific reference to its advertising revenue sources and potential. Accordingly our comments here are

confined to that subject in the context of proposed regulations.

As expected, and by the Commission's invitation, the expressions of those most concerned with the application and purposes of regulations dwelled on the anticipated effects of the regulations if enacted as proposed. Conclusions by proponents of all sides of the issue have been based on some fact and some opinion blended in varying proportions. Not always, however, have the primary questions been asked or, alternatively, answered.

It would be a serious mistake to believe that the regulators and the regulatees are at cross-purposes and that the motivation of either is to thwart the efforts of the other. Nor can it seriously be questioned whether regulations will be obeyed by broadcasters to the best of their ability to do so. But the most important questions are whether these proposed regulations are in furtherance of the Broadcasting Act and whether in that regard the ultimate purposes of the Act, and the goals of the Commission, will be accomplished.

The 'purpose' of the proposed content rule and commercial scheduling in television has been variously described. One responsive citizen (detached from the industry but opposed to the proposals nevertheless) wrote he understood the purpose was "to maintain and build our culture and to promote the development of Canadian performers and producers." Others, as reported in the press, have connected the content rule with the "requirement in the Broadcasting Act for a distinct Canadian system", although, in fairness, the reference in the Act to a "service that is predominantly Canadian in content and character" was made with respect to the CBC and not to the Canadian broadcasting system as a whole.

However many reasons are divined or suggested by analysts of the purpose of the regulations, such 'purpose' must draw its validity and direction from the Act itself. And where - in the explanation of purposes, objects or rationale - the Act is unclear or unprecise, reference should be made to the legislative history of the Act.

3. The 1968 Broadcasting Act and its Environment:

We should make it abundantly clear at the outset that TvB does not question either the authority of the Commission to make the proposed regulations or the legitimacy of the Commission's purpose in advancing the proposals. Our only reason for touching upon the legislative framework is to establish a sequence for our later comments and proposals; and, as we mentioned before, the Act is the starting point.

The "objects" of the Commission are to "regulate and supervise all aspects of the Canadian broadcasting system with a view to implementing the broadcasting policy enunciated in section 2 of (the) Act."

(Section 15). In furtherance of these objects, the Commission is empowered to make regulations applicable to broadcasting licencees (set out in Section 16 (1) (b)) "respecting standards of programs and the allocation of broadcasting time for the purpose of giving effect to paragraph (d) of section 2 ...".

As a policy statement paragraph (d) directs that "the programming provided by the Canadian broadcasting system (including both the "national broadcasting service" and the "private element") should be varied and comprehensive ... and the programming provided by each broadcaster should be of high standard using predominantly

Canadian creative and other resources;" (emphasis added). As a matter of interest no other references are made in the Act to the Canadian aspect of programming or of service by the private element. Altogether different and more explicit language is used, as we mentioned earlier, when the CBC service is described (see paragraph (f) of section 2) and where the content and character of that service is directed to be predominantly Canadian. Presumably 'resources' and 'service' are not and were not intended to be, synonymous; but the Act does not elaborate nor does it clarify with precision the underlying legislative intention regarding Canadian content.

In looking for answers and insight, it is somewhat helpful to refer to the explanation of the Standing Committee on Broadcasting Films and Assistance to the Arts. As originally drafted, paragraph (d) simply read "predominantly Canadian resources." Not wishing to limit the ambit of that phrase to Canadian equipment and operators, but certainly not intending to exclude such interpretation, the Committee added the words "creative and other" so as to imply "... there should be further development and encouragement of Canadian talent in the creative areas of broadcasting ...". As to the words

"predominantly Canadian", the Committee suggested anything that "means more than half" would comply. (see generally Grant, The Regulation of Program Content in Canadian Television: An Introduction (Canadian Public Administration, Fall 1968)). By adopting the legislators' explanation and transposing it for the finished product, we find that "programming provided by each broadcaster should be of a high standard, using (creative, plant, operating and other such) resources (that are collectively more than half Canadian)".

Although it would be difficult to separate the policy statements in section 2 of the Act into priorities, except where the Act so states, Canadian broadcasting policy is orchestrated for the Canadian broadcasting system which includes but two instruments: the national broadcasting service (by definition the C.B.C.) and the private element (ie. private CBC affiliates, CTV affiliates and broadcasters independant of the two networks). And while the Act naturally provides for the regulation and supervision of the Canadian system, it is illogical to assume that an acceptable by-product of regulation and supervision is the deterioration of broadcasting service including the inability of part of the system to serve at all.

Broadcasting service is not an abstract concept. It means, in part, broadcasting programs to the public. Whether one talks of 'Canadian public interest' or 'Canadian content' it is unrealistic to devote any time to the subject unless one first studies the characteristics of the Canadian public. And unless the object is arbitrary censorship and pre-editing of programs, who is better qualified to judge public interest in the matter of programming but the supposed beneficiaries of broadcasting regulation and supervision: the public itself.

4. The Purpose of the T.V. Amendments Examined in the Light of Anticipated Results:

(a) Minimum Content Regulations

"The immediate impact of a (Minimum Canadian) content rule will be to promote the airing of programs (which) would not have reached the airwaves because per dollar of expenditure they were inferior in the characteristics demanded by audiences." This is an in-context extract from a letter to the editor of The Toronto Star, published February 24th, 1970. The author is Mr. L. Waverman, Assistant Professor of Economics, University of Toronto. The Bureau agrees with Mr. Waverman; not as a group looking for every bit of opinionated support it can find, but because the opinion is supported by facts.

To the body of research data already supplied to or conducted by the Commission, TvB wishes to add four relevant studies of the characteristics of T.V. programs watched by Canadian audiences. The studies are attached as appendices to this submission. In various ways and using different but relatable criteria, each of the studies questions the very issue raised by Mr. Waverman, namely the characteristics of programs demanded or even accepted by Canadian audiences.

Appendix 1. is an analysis of Canadian network programs on the CBC and on CTV. The program categories are divided into country of origin (Canadian, U.K. and U.S.); and program performance in November 1962 is measured against November 1969. The data source is A.C. Nielsen Co. of Can. Ltd. In 1962 eight of the twenty most popular CBC Network programs were Canadian Content under the proposed definition. One of these was NHL Hockey. In 1969, only four of the top twenty CBC Network programs were Canadian produced and again one was Hockey.

On the CTV Network in 1962, nine of the twenty most popular programs were Canadian, dropping to three out of twenty in 1969. Of the three, one was Hockey and another was Canadian Football.

On the CBC Network, looking next at the top fifty programs, U.S. programming in November, 1969, generated an average rating of 21.5% while Canadian programs achieved an average rating of 15.4% excluding and 17.6% including Hockey and Football.

The comparable figures for CTV show U.S. programs achieving an average rating of 17.3% while Canadian programs average 8.8% without and 13.6% with Hockey and Football.

It should also be noted that although there was a substantial increase between 1962 and 1969 in the overall number of television homes reached by each of CBC and CTV., the proportionate appeal of Canadian programs was virtually the same in 1962 as it was in 1969; and excluding Hockey and Football (of which more will not likely be available) U.S. programs were 40% (CBC) and 97% (CTV) more attractive to the average network viewer than Canadian content programming.

Appendix 2. is a two-part study developed and projected by the TvB research department from data tabulated by A.C. Nielsen Co. of Can. Ltd. It should be read in conjunction with TABLE III of the Comment

filed with the Commission by the Association of Canadian Advertisers Inc/Institute of Canadian Advertising (ACA/ICA). You will recall from TABLE III of the ACA/ICA submission that Canadian T.V. stations in the Toronto area were able to retain and in fact increase their share of Canadian audience in prime time from 50% in 1962 to 69% in 1968. A reverse trend began in 1969 and is accelerating in 1970 with Canadian audiences switching in increasing numbers back to U.S. border stations. The explanation offered by ACA/ICA is that the withdrawal is more likely a function of increasing penetration by Cable T.V. than of programming and that formerly effective tactics - pre-releasing U.S. programs, better scheduling of Canadian programming and more selective purchasing of non-Canadian programs- aren't working as well as they once did in keeping Canadian audiences tuned to Canadian stations.

In Appendix 2 we first show the performance of all the Canadian and U.S. stations in the Toronto area during prime viewing time in January 1970. Next we subdivide the product and rating performance of all Canadian T.V. stations in the area into Network and

Selective Program categories further broken into U.S. content (on the Canadian stations), other foreign content, N.H.L., news and public affairs and the balance of Canadian entertainment programming.

Against these known and measurable figures we project the effect on Canadian T.V. stations in the Toronto area after the introduction of a 60% Canadian content regulation. The projections are not hypothetical. We already have experience with the performance in Canada of Canadian programs on Canadian stations versus U.S. programs on U.S. stations. It is therefore easy to calculate the Canadian audience flow to U.S. channels (and programming) upon the appearance of additional Canadian programs replacing U.S. programs which had been pre-released. The depressing effect is borne entirely by the new Canadian content programs in both the Network and Selective categories. Because the proposed regulations will limit U.S. programming to a maximum of 30% of the broadcast schedule averaged over four weeks, the incidence of other foreign programming (e.g. from the U.K. etc.) is estimated to increase from 5.7% to the 10% maximum and with it the audience to foreign programs.

This is the only possible increase in audience for the Canadian stations while overall, Canadian viewers will shift to American stations, via roof top aerials or Cable T.V., to watch those very programs which Canadian stations presently carry, pre-empted in the future by new Canadian content.

To complete this picture we forecast the changes in television cost efficiencies of various selective programs in the Toronto area under the minimum content regulation. To eliminate all possible biases we assumed no changes in: cost per commercial announcement; T.V. homes in the area; or the incidence of U.S. selective programs on the Canadian stations. The first change is a proportionate increase in the number of Canadian selective programs from 34% (Jan. 1970) to 60.2%. The second change, drawn from audience figures discussed earlier, is a decline in the average number of Canadian viewers of Canadian selective programs. The third change is a shift in cost efficiency of Canadian selective programs from \$6.95 per thousand homes viewing, to \$9.36 per thousand, an increase of 34.7%.

The conclusion, we believe, has been separately forecast by the ACA/ICA:

"We believe advertising revenues will increase only in proportion to increases in product sales, not in line with broadcasters' increased costs.

T.V.'s share of advertising revenue will increase only in proportion to television's effectiveness and efficiency in relationship to other media. If the effect of the Commission's proposals is to decrease (television's) effectiveness and efficiency, T.V. advertising revenues will decline."

And by Mr. Waverman:

"... A shift of advertising dollars from Canadian television ... to other Canadian media or to American media could be expected. The brunt of the costs of the (minimum content) rule will therefore be borne by Canadian ...television. The CBC will survive since profitability is not its goal. Other networks and stations might not be so fortunate. So besides reducing the quality of programming, the content rule may also reduce the total volume of programming."

The third study, attached as Appendix 3, is a special analysis prepared for TvB by TvQ/Canada. As you are no doubt aware, TvQ/Canada measures audience familiarity with and enjoyment of various programs. The audience is a sample panel and for this study a special breakout was prepared using program categories, comparable with those used in the preceding appendices. The analysis, which is collateral to the other measurements we discussed in connection with viewership of Canadian and U.S. produced programs, further supports the view, otherwise measured in audience ratings, that adults eighteen years of age and older (in fact all persons measured), were more familiar with U.S. produced programs and liked them better than Canadian produced shows.

All averages to be sure. But the study, which must be read in conjunction with other assessments, suggests that adults were almost 66% more familiar with the U.S. produced programs shown on all networks in evening hours than they were with Canadian productions including Hockey; and in terms of entertainment values in the adult viewers' eyes, or for whatever reason an adult watches television,

on the average over twice as many rate a U.S. produced program as one of their favourites as those who favour a Canadian produced show. Including Hockey.

Because TvB has for some time been interested in knowing what precise affect cable television has on viewing habits in an area that without cable would almost exclusively be a single channel market, TvB commissioned the A.C.Nielsen Co. of Can. Ltd. to program its computers to compare the performance of CFPL-TV, London, by program type among cable and non-cable equipped households. The first phase of the study is now complete. (see separate report on this subject filed as confidential to the Commission).

We have requested further computer print-outs to reflect the total (as against average) performance among cable and non-cable TV homes of Canadian and U.S. program content broadcast by the major and secondary contributing Canadian stations in Middlesex County. The additional information will, if completed, be appended to this submission. Otherwise we will make it available to the Commission on request.

In total, this material has not previously been available prior to the commissioning of the entire study by TvB. To avoid confusion we will begin by explaining our terms of reference. The measured area is Middlesex County. The largest community within the County is London whose home station is CFPL-TV. The reason London was selected for this study is because cable T.V. has penetrated the market to an extent unique in North America and yet, according to the information supplied to us, the characteristics of subscribers to cable T.V. are virtually the same (except in viewing habits) as non-cable homes. A.C. Nielsen reports there are 47,000 (60%) cable TV homes and 31,300 (40%) non-cable TV homes in the County.

For the sake of consistency, program performance is reported in terms of the following categories: Canadian content including N.H.L. Hockey; N.H.L. Hockey; Canadian content excluding Hockey; U.S. produced shows; and foreign (other than U.S.) programs.

For the purposes of this analysis, data has been compiled covering the 7:00 - 11:00 p.m. Monday through Sunday time periods. We feel that this time period is more meaningful to the Commission as it is during this time that all stations schedule programming of a general entertainment and current affairs nature. We suggest that this is the program type in which one would reasonably expect additional Canadian programming to occur. Newscasts in contrast are probably not significantly expandable.

Generally here is what we learned:

1. On the average in prime viewing hours, 8% more sets in use were recorded in cable homes than in non-cable homes (60.1% of cable homes watching versus 55.5% of non-cable homes).
2. The more alternative programming available (i.e. in cable homes) the more viewers turned to U.S. produced programs. The ratio in cable homes is three times as many viewers watching U.S. programs on U.S. channels than viewers watching Canadian programs broadcast by CFPL-TV.

...

Specifically we discovered that:

3. Among viewers in non-cable homes, sets-in-use were 18% higher when the local station carried U.S. programs than when Canadian content was telecast; and when broadcast by the London station, U.S. programs on the average reached a 26% larger audience among non-cable homes, than audiences to Canadian shows.
4. Turning to the viewing habits of cable subscribers, sets-in-use when Canadian content was broadcast on CFPL-TV were only marginally fewer than when the same station programmed U.S. content. This fact is attributable no doubt to the variety of alternative programming available at the same time on other channels in cable homes.
5. Among cable homes, and notwithstanding the availability of U.S. content on U.S. stations, U.S. programs on CFPL-TV captured 34% more audience on the average than did Canadian programs (excluding Hockey) in the same homes.

4. The Purpose of the T.V. Amendments Examined in the Light of Anticipated Results:

(b) Program Interruptions by Advertising and Other Matters:

As presently structured, the private element of the Canadian broadcasting system operates without

private or public subsidies, without endowments and without any other financial support except the capital investment of the licensee, debt or equity financing and advertising revenue. The private sector of the industry must remain cognizant of the many criteria according to which the medium is judged by the public viewer, the public investor and the advertiser.

We are therefore unable to treat casually the observations stated in the ACA/ICA brief to the effect that "clustering" of commercials in a reduced number of commercial breaks will congest the total number of commercials appearing at a stretch thereby lessening the individuality of each message and reducing the efficiency of the medium for purposes of advertising. Anything that undermines any aspect of the advertisers' confidence in the television medium threatens its ability to serve the public.

On one hand, advertisers won't buy time in programs that viewers don't watch. At the same time, advertisers won't buy commercial time in programs that viewers do watch if the commercials are so

located as to minimize their effectiveness. On the other hand, it has been argued that although a viewer may enjoy a program he may become so irritated with program interruptions by station and network identifications, by station promotions, and by commercials that he will forego his, otherwise viewing pleasure. The argument continues, therefore, by saying, as the new regulation proposes: reduce the number of permitted interruptions and lump these together in a few select times within each program.

If our earlier statement is true - referring to broadcasters' sensitivity to viewer irritation - then it logically follows that broadcasters will not illogically persist in practices designed to minimize the size of audience. Accordingly we incorporate by reference and with support the position of ACA/ICA outlined in its brief where it is stated that a move to reduce clutter is welcomed if in the result the program is not itself distorted to permit artificial announcement breaks in which a chain of commercials and promos is worse than the ailment we wish to remedy.

We do not understand why the proposed regulations associate station promotions with commercial announcements whereby all would be subject to the minimum interruption rule. At a time when alternative viewing opportunities are on the increase, a regulation that impairs the competitive capabilities of private broadcasters, with all that is implied, is not, we submit, a regulation in support of high performance Canadian programming.

We are aware that viewers are sometimes confused between commercials within programs and the program matter itself and are uncertain at times when one leaves off and the other begins. Having witnessed as viewers the technique recently introduced by the CBC in its late night movies - saying "we will return to the film in blank seconds" - we conclude that if this innovation is supposed to be an improvement, for the benefit and protection of the viewer, as if we were being paged for a plane that was about to leave the terminal, then as viewers we prefer the 'old' way. If we were advertisers we would ask, as advertisers will be asking: where has the audience gone?

Of course we must be concerned about the viewer! And if after reading and hearing the submissions of broadcasters and others the Commission remains convinced of the need to identify particularly advertising material within the body of a program, we ask that the separations be confined exclusively to the televising of feature films wherein a problem for the viewer, if it arises at all, is most likely to appear, all other programming being pre-edited for distinct commercial separation from the program.

5. Conclusions:

TvB has three basic objectives:

1. (a) to encourage the continued use of television by advertisers who presently do use the medium;
- (b) to explain the advantages of television advertising to those who use it infrequently, or not at all; and
- (c) to assist actual and prospective users in the most effective and efficient applications of television as an advertising medium.

2. How may we reconcile these objectives with the conclusions of agencies who develop media campaigns and advertisers who pay for them when they say "Canadian advertisers will not support a ... spiral of rising cost and decreasing audience."?
3. Specifically what then may broadcasters do to reinforce advertiser confidence in television if, as our studies indicate (APPENDIX 2), under the proposed amendment a Toronto T.V. station, for example, would lose on average an overall 15% of the viewing audience to its non-network programming with a corresponding decline of 18% in its cost efficiency? The situation is even worse with Canadian content selective programs to which a 26% loss of viewing audience is projected accompanied by a 35% decrease in advertising efficiency.
4. Finally, if the broadcasters' unsold inventory of commercial time in Canadian content programming is already high even in prime time (see separate report on this subject filed as confidential to the Commission) by what means will broadcasters sell advertising in yet more Canadian content inventory.

Although Canadian T.V. stations may have to develop programs with more Canadian content, Canadian viewers are not compelled to watch. And they have other alternatives.

5. Isn't it true, however, that the Broadcasting Act promotes the principle of developing Canadian talent and other Canadian resources for the purposes of greater communication among Canadians and a greater understanding between Canadians; and that regulations made pursuant to the Act should be directed to the same goal for the benefit of the Canadian public? But can there be any effective communication through broadcasting without sizeable viewing audiences?
6. Is a strictly quantitative device the best answer we have when the best available evidence presently indicates the objectives will not be met for lack of audience interest? Without audience, the advertiser will look elsewhere. Without the advertiser, who will pay for (and who can afford) the additional Canadian content?
7. Perhaps the largest single problem we have to face and solve is what has been termed an economic disparity among broadcasting licensees. What a

few of the larger stations may be able to afford in the way of program experimentation - or simply risks - the smaller stations may not.

8. In its 1957 report, the first Fowler Commission recognized disparities among licencees and allowed that "... (w)hat may be reasonable to require as a level of performance for a larger prosperous station in a metropolitan area might be an onerous burden on a rural station ...". The Commission suggested that the regulators of broadcasting "should seek to enlist the active co-operation of station operators, both public and private, in developing a body of regulations which will be practical and acceptable." The Commission hoped, and we share the wish, for "some way for standards of performance to be raised where they can be without the levels for the whole country being set by what is tolerable for the smallest and least prosperous stations."
9. We do not believe that a minimum content system is the "way".
10. The Canadian public has been committed to a national broadcast system - and to the perpetuation of that system - which in reality is a blend of two systems.

The publicly subsidized national element and the private stations which are not.

11. If we are to find a practical and acceptable way to raise standards of performance we may not be oblivious of the structural and economic problems of our industry including the size, wealth, cultural resources and local conditions of television stations; and the effects of U.S. border stations, cable television and the buying practices of Canadian advertisers.
12. We urge the Canadian Radio-Television Commission to fully consider and reconsider the alternatives to a minimum quota rule such as subsidies for Canadian productions, federally encouraged joint production ventures and programming assistance funded, for example, by the Canadian Film Development Corporation. Or a combination of all such alternatives and other where the emphasis is not on quantity but on the quality of product for the public benefit.

ANALYSIS OF TOP FIFTY PROGRAMS ON
EACH CANADIAN ENGLISH LANGUAGE NETWORK

1962 and 1969

	<u>1962</u>		<u>1969</u>
	<u>No. of $\frac{1}{4}$ Hrs.</u>	<u>Average $\frac{1}{4}$ Hr. Rating</u>	<u>No. of $\frac{1}{4}$ Hrs.</u>
<u>CBC ENGLISH NETWORK</u>			<u>Average $\frac{1}{4}$ Hr. Rating</u>
CANADIAN PROGRAMS	58	17.2%	86
CANADIAN PROGRAMS LESS NHL HOCKEY	53	15.8%	65
& CFL FOOTBALL	54	26.3%	80
U.S. PROGRAMS			
			17.6%
			15.4%
			21.5%
<u>CTV NETWORK *</u>			
CANADIAN PROGRAMS	16	8.7%	64
CANADIAN PROGRAMS LESS NHL HOCKEY	16	8.7%	34
& CFL FOOTBALL	34	14.9%	98
U.S. PROGRAMS	--	---	14
U.K. PROGRAMS			13.6%
			8.8%
			17.3%
			12.9%
BASE TV HOMES	CBC (ENG.)	3,926,000	5,438,000
	CTV	2,901,000	4,282,000

* Only 20 programmes were telecast by CTV Network in 1962

Source: A.C. Nielsen Co. of Canada Ltd.

AVERAGE QUARTER-HOUR HOUSEHOLD

RATINGS BY PROGRAM CLASSIFICATION

T O R O N T O C E N T R A L A R E A

	NUMBER OF PROGRAM QUARTER HOURS, 6:30 - 11:30 p.m., MON.-SUN.		GROSS HOUSE- HOLD RATINGS		AVERAGE QUARTER HOUR RATING		
	JAN. 1970	WEIGHTED	JAN. 1970	WEI- GHTEd	JAN. 1970	WEI- GHTEd	% CHANGE
ALL STATIONS	840	100%	7,858	7,858	9.4	9.4	---
BUFFALO STATIONS	420	50%	2,916	3,392	6.9	8.1	+17.4
	(100%)	(100%)					
TOTAL CANADIAN STATIONS	420	100%	4,942	4,466	11.8	10.6	-10.2
CANADIAN CONTENT	165	39.3%	1,858	2,334	11.3	9.2	-18.6
U.S. CONTENT	231	55.0%	2,776	1,526	12.0	12.2	+ 1.7
OTHER CONTENT	24	5.7%	42	606	12.8	14.4	+12.5
N.H.L. CONTENT	20	4.8%	588	588	29.4	29.4	---
NEWS & PUBLIC AFFAIRS CONTENT	86	20.4%	845	845	9.8	9.8	---
CANADIAN CONTENT LESS N.H.L., NEWS & PUBLIC AFFAIRS	59	17.1%	425	901	7.2	6.1	-15.3
	(39.0%)	(39.0%)					
CANADIAN NETWORK:							
TOTAL CONTENT	164	100%	2,383	2,299	14.5	14.0	- 3.5
CANADIAN CONTENT	78	47.6%	1,012	1,221	13.0	12.3	- 5.4
U.S. CONTENT	82	50.0%	1,295	774	15.8	15.8	---
OTHER CONTENT	4	2.4%	76	304	19.0	19.0	---
N.H.L. CONTENT	10	6.1%	328	328	32.8	32.8	---
NEWS & PUBLIC AFFAIRS CONTENT	36	22.0%	368	368	10.2	10.2	---
CANADIAN CONTENT LESS N.H.L., NEWS & PUBLIC AFFAIRS	32	19.5%	316	525	9.9	9.9	---
	(61.0%)	(61.0%)					
CANADIAN SELECTIVE:							
TOTAL CONTENT	256	100%	2,559	2,167	10.0	8.5	-15.0
CANADIAN CONTENT	87	34.0%	846	1,113	9.7	7.2	-25.8
U.S. CONTENT	149	58.2%	1,481	752	9.9	9.9	---
OTHER CONTENT	20	7.8%	232	302	11.6	11.6	---
N.H.L. CONTENT	10	3.9%	260	260	26.0	26.0	---
NEWS & PUBLIC AFFAIRS CONTENT	50	19.5%	477	477	9.5	9.5	---
CANADIAN CONTENT LESS N.H.L., NEWS & PUBLIC AFFAIRS	27	10.5%	109	376	4.0	4.0	---
	(61.0%)	(61.0%)					

FORECAST CHANGES IN TELEVISION COST EFFICIENCIES
SELECTIVE VEHICLES BY PROGRAM ORIGIN

PER CENT TOTAL PROGRAMMING
AVERAGE COST PER 60-SECOND ANNOUNCEMENT
TV HOMES IN MARKET
AVERAGE QUARTER HOUR RATING
AVERAGE QUARTER HOUR HOMES
COST-PER-THOUSAND HOMES
PER CENT CHANGE IN COST-PER-THOUSAND

ALL SELECTIVE PROGRAMS		CANADIAN SELECTIVE PROGRAMS	
1970	FORECAST	1970	FORECAST
100%	100%	34.0%	60.2%
\$483.00	\$483.00	\$483.00	\$483.00
716,400	716,400	716,400	716,400
10.0	8.5	9.7	7.2
71,600	60,900	69,500	51,600
\$ 6.75	\$ 7.93	\$ 6.95	\$ 9.36
+ 17.5%		+ 34.7%	

PER CENT TOTAL PROGRAMMING
AVERAGE COST PER 60-SECOND ANNOUNCEMENT
TV HOMES IN MARKET
AVERAGE QUARTER HOUR RATING
AVERAGE QUARTER HOUR HOMES
COST-PER-THOUSAND HOMES
PER CENT CHANGE IN COST-PER-THOUSAND

U.S. SELECTIVE PROGRAMS		OTHER SELECTIVE PROGRAMS	
1970	FORECAST	1970	FORECAST
58.2%	29.7%	7.8%	10.2%
\$483.00	\$483.00	\$483.00	\$483.00
716,400	716,400	716,400	716,400
9.9	9.9	11.6	11.6
70,900	70,900	83,100	83,100
\$ 6.81	\$ 6.81	\$ 5.81	\$ 5.81
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EXPLANATION OF METHODOLOGY USED IN
FORECASTING CHANGES IN TELEVISION
RATINGS IN TORONTO CENTRAL AREA

- 1) The January 1970 A.C. Nielsen NTI Toronto report was used to determine gross household ratings for all stations contained in the report in the Toronto Central Area (defined by Nielsen), during the 6:30 - 11:30 p.m. time period, Monday through Sunday.
- 2) Average quarter-hour household ratings were determined for the program classifications shown by dividing the gross household ratings by the number of quarter-hours broadcast.
- 3) Program identification was confirmed (where not shown by Nielsen) through CBC, CTV and CHCH-TV. Where, over the three week measurement period, one Canadian Content program and two U.S. programs were broadcast during the same time periods, the ratings for that time period were allocated to U.S. programs. Where two Canadian and one U.S. program were broadcast, the ratings were classified as being Canadian.
- 4) In weighting back the average quarter-hour ratings to the new proportions as proposed by the C.R.T.C. in their release of February 12th, 1970, several assumptions were made, these being:
 - a) The new additional Canadian program content will be in the area of entertainment, rather than News or Public Affairs programming.
 - b) The amount of N.H.L. Hockey broadcasts during the 6:30 p.m. - 11:30 p.m. time period will remain as at present.
 - c) The new additional Canadian programming will achieve similar average quarter-hour ratings as that program classification achieves at present.

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- d) The proportion of Network vs. Selective programming will remain constant.
 - e) Overall viewing levels will remain constant.
 - f) The present or new foreign programming used by the Canadian Networks and Toronto stations will achieve comparable average quarter-hour ratings.
 - g) The present or new programming broadcast by the Buffalo stations will not achieve any higher average quarter-hour ratings other than balancing the lower average quarter-hour ratings forecast for the Toronto stations.
- 5) Other variables not included in this analysis include:
- a) The effect on viewing levels and average quarter-hour ratings brought about by the introduction of a CBC operated UHF educational channel.
 - b) The effect on viewing levels and average quarter-hour ratings brought about by the likelihood of a weekly N.H.L. Hockey game being broadcast during the 6:30 p.m. - 11:30 p.m. time period by one of the Buffalo TV stations.
 - c) The effect on viewing levels and average quarter-hour ratings brought about by increased CATV penetration in the market.
- It is the opinion of TvB that any one or a combination of these factors will likely contribute to lower average quarter-hour ratings achieved by the three present Toronto stations.
- 6) The changes in Television cost efficiencies (CPM) are forecast on current costs and market conditions.

AVERAGE TvQ/CANADA
SCORES BY PRODUCTION ORIGIN
NATIONAL AREA - JANUARY 1970

	<u>Number of Programs</u>	<u>Total Persons 6 +</u>		<u>Adults 18 +</u>	
		<u>Familiar</u> %	<u>TvQ</u> %	<u>Familiar</u> %	<u>TvQ</u> %
AVERAGE FOR ALL NET- WORK PROGRAMS (excluding News)	111	44	22	42	20
AVERAGE FOR ALL NET- WORK EVENING PROG. (excluding News)	62	57	23	57	21
- CANADIAN PRODUCED	20	37	17	41	18
- CANADIAN PRODUCED (excluding Hockey)	18	33	15	37	15
- U.S. PRODUCED	39	69	27	68	23
- OTHER	3	55	20	34	16
SAMPLE SIZE		2,023		1,407	

N.B. Four Canadian Produced Programs were omitted in this analysis due to low level of familiarity (less than 4%).

TvB has additional analyses covering Network Weekday and Weekend, Daytime Programs, and data for Familiarity and TvQ scores on all Program classifications for Teens and Children, which will be made available to the Commission on request.

AN EXPLANATION OF TvQ

TvQ Canada is a television audience research service of Canadian Family Opinion, and operates under license from the Home Testing Institute/TvQ in the United States.

TvQ is a direct audience feedback of the opinions which people express about TV programs. This expression of opinion determines how much people like different programs.

Therefore TvQ scores are not to be confused with audience ratings. Ratings measure the amount of set-tuning, which is the end product of a great many variables.

The basic TvQ measure, intrinsic interest in the program, is only one of the many variables which enter into viewer decisions. However it is a most important factor in understanding audience size.

A rating determines what has happened; a certain number of homes (or people) were turned. TvQ helps to understand why it has happened.

Familiarity is the proportion of respondents who have ever seen the program; those who are able to voice an opinion on it.

Favourites are the proportion of respondents who say that a program is 'one of my favourites'.

The TvQ score is a qualitative measurement of the degree of enthusiasm for a program. This score is determined by taking the number of people who are familiar with the program and determining the percentage of them that say the program is 'one of my favourites'.

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